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ABSTRACT

This report presents nine case studies featuring efforts to foster community development through business incubation and entrepreneurial programs at two-year colleges. A background section discusses case description, and organization and format of case studies. The second section describes the case study design. Each case study is introduced with a brief description of the setting--economic context, regional culture, and characteristics of the particular location. The component on education and training services provides details on content, delivery format, instruction arrangements, cost, and impact on entrepreneurs. Throughout each section are found perspectives of entrepreneurs, incubator staff, college staff, and students to enrich the descriptions with personal insights, personal evaluations of experiences, and experiences of minority and female entrepreneurs. Case studies are arranged in three categories representing urban, suburban, and rural settings. Within each category, three case studies that represent different approaches to business incubation and varying levels of community/technical college involvement are presented. A concluding cross-analysis outlines the involvement of two-year colleges in economic and entrepreneurship development in the community and provides discussion questions for key areas relevant to the involvement of two-year colleges in economic and entrepreneurship development in the community. Appendixes contain 14 references, selection forms, and interview guides. (YLB)

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National Center for Research in
Vocational Education

University of California, Berkeley

FOSTERING ENTREPRENEURSHIP THROUGH BUSINESS INCUBATION: THE ROLE AND PROSPECTS OF POSTSECONDARY VOCATIONAL-TECHNICAL EDUCATION

REPORT 2: CASE STUDIES

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REPORT 2: CASE STUDIES

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PREFACE

This is the second in a series of three reports on the role and prospects of two-year colleges in promoting community development through business incubation and related services. This report presents nine case studies featuring business incubators operating under contrasting settings and organization schemes. Insights on the experiences of managers and entrepreneurs in business incubators operating under different sponsorship arrangements, including support from two-year colleges, can be found in Report 1 (Hernández-Gantes, Sorensen, & Nieri, 1996a). A summary of opportunities to expand the contribution of community colleges on economic development through business incubation and related services is provided in Report 3 of this series (Hernández-Gantes et al., 1996b).

Case studies have been widely used both as instructional resources and as a powerful form of research inquiry. Instructional applications can be found extensively in business, law, and education. As a research approach, the case study is driven by an interest in individual or collective cases to help understand a particular phenomenon in a given setting. Thus, the value of this case study research to practitioners and policymakers lies in the potential contributions to better understanding entrepreneurship in business incubation and the role of postsecondary vocational-technical institutions in supporting entrepreneurship development in various case scenarios.

The case studies presented here represent a complementary research strategy to a national survey of entrepreneurs in business incubation, including those in incubators affiliated with postsecondary vocational-technical institutions and colleges. The survey provided quantitative information about experiences of business incubator managers and clients. However, we felt it was necessary to complement the national survey with case studies for the following reasons. First, based on low return rates obtained by other researchers in survey efforts (e.g., National Business Incubation Association), we anticipated conducting case studies as an opportunity to verify survey information via experiences and personal insights of business incubator managers, entrepreneurs in and out of incubation, two-year college staff and faculty, and postsecondary students interested in entrepreneurial opportunities. Second, case studies provide contextual information on efforts to foster entrepreneurship in various community scenarios which will assist in understanding different approaches. Third, case studies allowed us to provide rich

characterizations of efforts implemented by community-technical postsecondary institutions, and detailed descriptions of opportunities for participation in fostering entrepreneurship in the community.

This document includes nine case studies derived from the research on entrepreneurship conducted by the National Center for Research in Vocational Education. Case study descriptions revealed current efforts of two-year technical colleges to support the economic development of the community by working in partnership with business incubators, offering entrepreneurship courses and other related services to local entrepreneurs. These cases are organized in three categories representing efforts conducted in rural, urban, and suburban settings. Within these categories, case studies describe partnerships between postsecondary vocational institutions and business incubators, partnerships between community agencies and business incubators, and individual efforts by postsecondary institutions. Case studies are intended to be used as a discussion piece to guide efforts in identifying opportunities for postsecondary institutions' expanded role in the economic development of communities and as instructional and learning materials.

We wish to thank a number of people who contributed to the development and completion of this research project. This project was a venture into exploring some of the basic beliefs underlying the success factors in small business development centers known as incubators. Before venturing into this study, we sought the advice of Dinah Adkins, Executive Director of the National Business Incubation Association; Gregg Lichtenstein, Penn State University; and Peter Bearse, consultant on business incubators from Gloucester, Massachusetts. All three of these individuals were extremely helpful in identifying the incubator candidates for the case studies. In addition, they critiqued the survey instrument that went to all incubator managers and selected clients within those incubators to receive the client survey. We also extend our appreciation to L. Allen Phelps, Director of the Center on Education and Work, for his guidance, insights, and collaboration on this project.

EXECUTIVE SUMMARY

This report presents nine case studies featuring efforts to foster community development through business incubation and entrepreneurial programs at two-year colleges. These case studies served a complementary purpose to a national survey of managers and entrepreneurs in business incubators, including those sponsored by two-year colleges (see Report 1, Hernández-Gantes, Sorensen, & Nieri, 1996a). Through case studies, a shared understanding of entrepreneurship and the involvement of two-year colleges in community development efforts was further developed.

The case studies featured here represent efforts to support business incubation by community and technical colleges, private nonprofit organizations, and other public/private partnerships. Some cases feature college programs or courses with the focus on entrepreneurship and/or development of the expertise on business operations needed to start and run a business. In only a few cases was there a clear connection between business incubation and college coursework on entrepreneurship. However, the readers should be able to identify various opportunities to integrate these efforts, and the possibility to offer other related services in the community.

Briefly, the involvement of two-year colleges in fostering economic development in the community was found in three levels: (1) support of business incubation, (2) provision of business-related services, and (3) education and training opportunities offered to the general public. The scope of the involvement to support these efforts varied according to the resources and circumstances leading to their implementation. The commitment and leadership of key individuals behind these efforts were critical to successful implementation of business incubators and entrepreneurship programs at the community college level. To maintain the efforts, continuous leadership of those involved in the day-to-day operations was also an essential factor for success. However, it was at this stage where the involvement of two-year colleges seemed to be rather weak. Once a program was established (e.g., a business incubator), the operation may become a satellite entity, and, in many instances, there may be no linkages with the college other than through funding. Further, there were practically no connecting activities between sponsoring colleges and local high schools to expose students to entrepreneurial ventures. Although two-year colleges sponsor business incubators and provide business-related services through assistance centers and/or courses with a focus on entrepreneurship, there is usually a strong

manager or director at the operational level who makes up for the weak involvement of the sponsoring institution once the operation is running. Based on case study information, the question that remains is, what can we do to improve the involvement of two-year colleges on the efforts described above?

To address this question, two levels of discussion are presented. The first level involves an outline of the involvement of two-year colleges in economic and entrepreneurship development in the community, which sets the stage for the second level of discussion. The second level of discussion is guided by a set of questions to allow the readers to interpret the case studies in light of the potential use for them as administrators, instructors, or students. Discussion questions are provided for key areas relevant to the involvement of two-year colleges in economic and entrepreneurship development in the community. The objective was to stimulate critical reading by users and to guide those interested in implementation and instructional issues.

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BACKGROUND

Participation in community economic development is a dynamic process requiring proactive participation in strategic planning and involvement in broad-based community partnerships. Within this context, what are the implications for two-year technical colleges? Traditionally, community and technical colleges react to industry or societal needs when these needs become obvious and urgent. However, current developments in the national and international economy suggest the need to begin emphasizing a proactive commitment to community development in two significant ways: (1) by improvement of the quality of education and training services and programs, and (2) through integration of technical postsecondary education with community development (Melville & Chmura, 1991; Phelps, 1992).

Assuming a leadership role in community economic development appears to be a natural role for two-year postsecondary institutions. They make up the bulk of higher education institutions; are located all across the nation in rural, urban, and suburban areas; and usually have closer ties with key community stakeholders (Farnsworth, 1991; Kopecek, 1991). Some states have already demonstrated the benefits of the participation of community/technical colleges in providing technical assistance and technology transfer to small businesses (Carmichael, 1991). Of these opportunities, business incubation offers perhaps one of the most comprehensive strategies to promote entrepreneurship, help create jobs, stimulate growth, and revitalize rural areas or depressed neighborhoods. Business incubators provide commercial space at low cost and a host of business services to help entrepreneurs survive successfully in the early stages of business development (National Business Incubation Association [NBIA], 1992).

Though many studies have been conducted on business incubation, the focus has been on financing and operational management based primarily on input from incubator managers (e.g., Campbell, 1987; NBIA, 1992). Other studies have focused on the participation of four-year colleges to support the incubation concept, especially in high technology enterprises and development (e.g., see Mian, 1993). The contribution of two-year colleges to business incubation is rather modest, and few studies have described their involvement in this concept within the context of economic and entrepreneurship development. As new challenges and demands are derived from global economic competition, an understanding of business incubation and opportunities for a more active

role in economic development—learning from the experiences of two-year colleges—is critical to provide future direction for postsecondary technical-education institutions (Office of Technology Assessment, 1990; Weinberg & Burnier, 1991).

Case studies have been widely used in business, industry, and various educational fields such as law and management. Case studies can be used for education and training purposes to (1) describe situations or events of interest, (2) encourage problem solving, (3) stimulate critical thinking, (4) generate group discussion, and (5) train personnel using different case study scenarios. Indeed, case studies can be a valuable resource to facilitate the transfer of knowledge and understanding to both classroom and professional development in vocational education and two-year college administration.

However, few case study resources focusing on the participation of two-year colleges on economic and entrepreneurial development in the community are available. This lack of adequate case study resources was the primary reason for the development of these business incubation case studies. Concurrently, these case studies serve a complementary purpose as a national survey of business incubator managers and entrepreneurs to develop a shared understanding of entrepreneurship and the involvement of two-year colleges in community development efforts (see Report 1, Hernández-Gantes, Sorensen, & Nieri, 1996a).

This report presents nine cases studies which were undertaken by the National Center for Research in Vocational Education (NCRVE) to research the role of two-year colleges in economic development and entrepreneurship. Project findings showed that entrepreneurs served by postsecondary technical education institutions face the same issues experienced by the population of entrepreneurs at large. Hence, the challenges lie in understanding the potential opportunities and implications for curriculum and instruction, for participation in partnerships with business incubation, and for the support of a variety of business services to the community of entrepreneurs as a whole.

Case Description

Each case study is introduced with a brief description of the setting to position the reader in terms of the economic context, regional culture, and characteristics of the particular location. The component on education and training services is described separately to provide more details on content, delivery format, instruction arrangements, cost, and impact on entrepreneurs.

The perspectives of entrepreneurs, incubator staff, college staff, and students are embedded throughout each section in order to (1) enrich the descriptions with personal insights of participant stakeholders, (2) provide personal evaluations of experiences derived from participation in business incubation or college courses, and (3) feature the perspectives of minority and female entrepreneurs on their business incubation experiences.

Organization and Format

Case studies are organized in categories to position the reader within the contextual dimensions shared by individual cases. Hence, case studies are arranged in three categories representing urban, suburban, and rural settings. Within each category, three case studies which represent different approaches to business incubation and varying levels of community/technical college involvement are presented. This arrangement will assist the readers in understanding the implications for program implementation and the variety of challenges and opportunities affected by different circumstances found in the communities.

Case studies included in each category represent efforts to support business incubation by community/technical colleges, private nonprofit organizations, and other public/private partnerships. Some case studies feature college programs or courses with the focus on entrepreneurship and/or development of expertise on business operations needed to start and run a business. In only a few cases was there a clear connection between business incubation and college coursework on entrepreneurship. However, the readers should be able to identify various opportunities to integrate these efforts and the possibility to offer other related services in the community. Finally, to provide a consistent format, all case studies were reviewed and edited to provide a balanced depth and breadth of descriptions in terms of content and length.

Discussion/Potential Use

Case studies are discussed collectively at two levels: the first level includes a discussion of the involvement of two-year colleges in economic and entrepreneurship development in the community to set the stage for the second level of discussion. That is, the readers are allowed to interpret the case studies in light of the potential use for them as administrators, instructors, or students. For this purpose, a set of discussion questions is provided for key areas relevant to the involvement of two-year technical institutions in economic and entrepreneurship development in the community. The objective is to stimulate critical thinking by the readers and to point out guiding questions to those interested in implementing particular efforts or for use as instructional and learning activities.

A complementary guidebook is also available to those users interested in learning more about the practical applications of the information presented here. This guidebook describes specific opportunities for participation of two-year technical colleges in economic development and entrepreneurship in the community (see Report 3, Hernández-Gantes, Sorensen, & Nieri, 1996b). This guidebook is derived from the set of guiding questions on relevant areas of practice mentioned above.

CASE STUDY DESIGN

The approach taken to design and develop the case studies was guided by four central questions: (1) What are the opportunities and challenges to support business incubation in the community? (2) What can we learn about entrepreneurship development in and out of business incubation? (3) Are there other potential opportunities for two-year technical colleges to participate in the economic development of the community? and (4) What are the experiences and perspectives of minority and female entrepreneurs as they participate in business opportunities?[1]

The second component of the case study approach was drawn from a combination of what Stake (1994) called the "collective study" design. Under this design, each case is

[1] Throughout this document the term "client" will also be used to refer to entrepreneurs using business incubator or college services.

reviewed in depth to develop a better understanding of the issue under consideration in order to build a theory around the guiding questions. Based on this premise, each case study *per se* played a secondary role in facilitating our understanding of entrepreneurship and the opportunities for two-year technical colleges to participate in economic development in the community. Our interest was in examining a variety of cases describing different contextual situations and perspectives to develop insights about both particular conditions and general applications across cases. This approach allowed us to (1) examine similarities across case studies in a variety of contexts, (2) examine opportunities for participation in economic and entrepreneurship development unique to certain places, (3) characterize the experiences of key stakeholders functioning under different circumstances, and (4) describe the perspectives of minority and female entrepreneurs in different settings.

Selection of Case Study Sites

Since the purpose of the case study design was to develop an understanding of a "bounded" system and features common across the system (see Stake, 1994), we selected nine sites representing various contexts and levels of two-year college involvement. The selection process included the review and screening of 25 incubators with primary sponsorship from community colleges and 20 community colleges which offer a coherent series of courses on entrepreneurship identified through a review of related literature or nominations by experts in the field (e.g., NBIA executive staff and state directors of postsecondary technical education).

Site selection criteria included the presence of a comprehensive approach to education and training on entrepreneurship to foster economic development in the community through business incubation, courses on entrepreneurship, or a combination of both. Additional criteria included program stability (i.e., years of continuous operation and commitment from sponsoring organizations), evidence of established partnerships with industry, site location (urbanicity and geographical distribution), the integration of elements relevant to school-to-work opportunity programs, and provisions to serve minority and female entrepreneurs. Incubators were also screened based on the presence of comprehensive services on consulting, education, and training services; and on their linkages with community/technical colleges (see Appendices A and B).

Selected sites included seven two-year technical colleges representing various levels of involvement in economic development efforts in the community through either support of business incubation or entrepreneurship courses offered to the general public. Two business incubators with primary sponsorship from community organizations featuring a systematic approach to delivery of education/training services were also selected. Selected sites represented urban, suburban, and rural locations located in major regions of the country (West, Midwest, East, and South).

Instrument Development

Questions to guide the data collection process were developed around four areas: (1) individual understanding of entrepreneurship, (2) personal or institutional experiences in the promotion of entrepreneurial skills, (3) training and educational opportunities designed around college coursework or business incubation programs, and (4) efforts to serve minority and female entrepreneurs at various stages of business development. With slight variations, this set of guiding questions served as the basis for developing instruments for interviews and focus groups with college administrators, instructors, students, business incubator staff, and in-house and external clients. These guiding questions were pilot tested at a business incubator sponsored by a two-year technical college, and further feedback was obtained from an advisory group in terms of content and wording. The modified versions for each of the instruments used to conduct interviews and focus groups with various stakeholders are presented in Appendices C and D.

Data Collection

After access was granted by a contact person, the primary means for data collection were individual interviews and focus groups. At community/technical colleges, interviews and focus groups were conducted whenever possible with all stakeholder groups, including college administrators, instructors, and students. At business incubators, interviews were conducted on an individual basis with incubator managers and selected staff (e.g., coordinator of instruction), and focus groups were held with in-house and external clients. The average size of focus groups was five participants representing various backgrounds (e.g., ethnicity, gender, education, and type of business).

With the exception of one site, all site visits were conducted by a team of two researchers. Prior to each interview or focus group, participants were informed about the purpose of their participation, the nature of the inquiry, and the intended use of the information. To stimulate rapport between interviewers and interviewees, and to encourage candid sharing of experiences, all participants were assured confidentiality of their input, and no identifiers of particular sites, staff, nor of any of the participants in this study are used in this report. The interview protocols served as semistructured guides, and additional probes were developed ad hoc according to the nature of the responses and particularities of the events and/or experiences described by the participants. Interviews and focus groups were tape recorded with the verbal consent of the participants.

During each site visit a tour of the college and/or business incubator facilities was conducted to familiarize researchers with the contextual circumstances of the setting. At this point, personal notes were taken to describe particular characteristics and further complement the information gathered on the site. After site visits, the visiting team compared notes and exchanged observations on the characteristics of the site and events of the day to begin developing patterns in light of the questions guiding the case study design.

Case Study Development

One overarching question guided the development of each case study: "What is to be learned from events and experiences described at each single site?" Information compiled from each site included promotional materials, articles published in journals and business magazines, and transcriptions of interviews and focus groups. To summarize and provide for balanced descriptions of key characteristics of participant sites, the narrative of each case is presented in four sections. The first section provides a background of the setting, circumstances, and reasons which led to the establishment of the business incubator or entrepreneurship program at the college. The second section describes the vision of the business incubation or college program on entrepreneurship, and strategies to manage and operate the program. The third section includes a description of the education and training component. Finally, the fourth section provides insights on entrepreneurial development based on business incubation or experiences with entrepreneurship courses.

Cross-Analysis

The cross-analysis was designed in two levels. The first level was completed on the involvement of two-year technical colleges in community and entrepreneurship development. The intent was to provide an overview of the pattern of efforts across sites and identify key issues around the potential participation in economic development of the community. Based on the framework of involvement identified on the first level of analysis, the second level involves the participation of the reader/user to identify key elements, issues, opportunities, and limitations to implement particular efforts aimed at fostering economic development.

Users, such as administrators, instructors, and students, will benefit from an analytical reading of the material based on their own needs and objectives. Administrators may be interested in discovering potential opportunities and limitations for implementation purposes, while instructors and students may be interested in learning applications. In both instances, their own cross-analysis will, without a doubt, enhance what they learn from and how they utilize the case studies.

CASE STUDIES
GROUP A: URBAN EFFORTS

Case Study 1
Involving the Community College District:
A Comprehensive Approach to Economic Development

Background

The brand new building housing the Institute for Economic Development stands in the middle of a depressed downtown area of a large Southern city, hinting at a renewal of the surrounding urban environment. Economically, the city has been affected by a series of layoffs and rising unemployment rates. These trends forced laid-off workers and others concerned about their future to explore coping strategies using their technical expertise and opportunities to start a small business. Many of these workers have various degrees of management and technical expertise, but they needed assistance in setting up their own small businesses, obtaining contracts, and so forth. However, there were no agencies to provide assistance to people who wanted to start up businesses or to counsel those already in business. Recognizing this need, in 1989 the board of trustees of the community college district approved the plans to establish a business center to help develop the community. The coordinator of instruction indicated that the center serves as a central clearinghouse and refers people for assistance in a number of areas.

Working Strategies

The vision of the center is to provide a comprehensive approach to business services, education, and training opportunities to foster entrepreneurship, and to connect with other centers to help entrepreneurs start up and run their businesses. To boost entrepreneurship and economic development, all the related county college services were located in one facility, the Institute for Economic Development.

One of the first steps was to develop partnerships with major local companies such as Texas Instruments and Kodak to train management and instruction staff in areas of interest (e.g., Total Quality Management [TQM]). The manager indicated that "that type of training was really expensive to master so [local industry] trained us for free and now . . . whenever they need employees trained they send them down to us." After the institute established these relationships, it began to charge a nominal fee to cover basic expenses for

the training provided for participant companies. Another management strategy was to establish good working relationships with each of the seven campuses of the county community college system, in particular, the business divisions. The business deans usually contact the center manager to refer groups of students who are interested in becoming entrepreneurs. Usually, the majority of the students who come to the incubator from the community colleges are enrolled in business programs. Further, a monthly tour of the center is conducted for groups of 25 to 30 dislocated workers who receive help writing résumés and cover letters and practicing interviews, and who are also exposed to entrepreneurship opportunities. The next step is to work with local high schools in the area to promote entrepreneurship among youth.

The institute is comprised of various programs to provide for comprehensive assistance to in-house and external clients. One such program is the Small Business Development Center. The objective of the center is to help clients interested in starting a small business. Staff help clients to obtain licenses, set up partnerships, and help with other aspects of starting up a business, with no charge to the client.

Another program is offered by the Center for Government Contracting, and targets clients who have been in existence for at least a couple of years and need information on writing government proposals for municipal, local, state, and federal contracts.

The Business and Professional Institute provides training for local corporations under a partnership agreement. The center also houses a Job Training Center to train low-income students from the community in four- to six-month business-related courses, including accounting, data input, and desktop publishing. Another program is the International Business Center, which assists clients interested in starting a business in international trade.

Finally, the Technology Assistance Center was created in 1992 to assist entrepreneurs in getting a patent, a trademark, or a license on an idea, product, or service. Center staff conduct a patent search, consult the legal implications with a local law firm, and try to get a discount on the patent search if possible.

All clients interested in business incubation through the Small Business Development Center (SBDC) are required to submit a viable business plan whether or not

they move the business into the center. The plan is reviewed by a committee, and clients are interviewed before services can be provided to them. Although no requests are turned down, preference is given to clients with residence in the local county. Clients are referred to the incubator by word of mouth; through the chambers of commerce; or as a result of attending center workshops, seminars, and short courses. Participant presenters also serve as sources of advertisement for center services. There is also a public information director who is in charge of informing prospective in-house clients of services available and providing free publicity for new businesses.

The make up of the in-house clientele is currently 25% Caucasian, 22% Hispanic, 3% Native American, and 50% African American. About 35% of the in-house businesses are female-owned. Prospective clients are required to participate in a brainstorming session to form an idea of what they want and need, then they meet with one consultant who has experience on the product or idea of interest to identify their business feasibility and immediate needs. Free business consulting is available to the public, students in the community college district, and to in-house clients operating at the incubator.

The manager believes the most important benefits to clients are not the office space and clerical support, but the opportunities for consulting and education in becoming an entrepreneur. To support these activities, many of the center consultants work *pro bono*.

Education and Training

An important feature of the center is the education and training component. These opportunities are free for in-house incubator clients and graduates, and a small fee is charged to the general public for workshops or seminars. These services are supported by state funding and matched by federal grants. The education and training component is essential to the mission of the center. Among the various education and training services, the center takes pride in the Job Training program. According to the coordinator of instruction, students leave the program prepared to enter the workforce.

An effective strategy to set up education and training opportunities is to work in partnership with local companies. For example, once a month a seminar is offered in collaboration with the city bus company, which has an extensive program for hiring minority vendors. The Internal Revenue Service also participates with a seminar on

business taxes. Other local companies and agencies talk about financial statements, government contracting, and negotiation techniques.

The center provides a flexible schedule to accommodate as many people as possible, and has experimented with offering the education and training courses in locations convenient to people who could not come to the center otherwise.

To provide for a variety of education and training opportunities, the center designs conferences and a series of seminars instead of individual seminars and workshops. These series of seminars can be taken independently of one another or as a sequence. The seminars are taught by businesspeople, as well as faculty from nearby community colleges. These seminars and workshops are offered frequently and, in most cases, the emphasis is on describing examples of success stories which are similar to the type of businesses clients want to start up, as well as examples of common mistakes made by businesspeople. Using a business plan as a reference to stress important points is an important instructional strategy because it provides concrete examples and helps refine business plans. Topics are identified informally through feedback from other centers located in other parts of the state and by presenters who are knowledgeable about a particular topic.

Groups of students from the seven campuses in the community college district are invited to tour the program facilities and become aware of business services and entrepreneurship-related courses offered by the institute. This program is a pilot program at the postsecondary level serving the community college district. In addition, participants in the Job Training Partnership Act (JTPA) program housed in the facilities can take advantage of internship opportunities with in-house clients. This is usually a two-week internship which may turn into a permanent job for many of the students. Under this format, owners hire and pay students who have completed their four- to six-month course. If students are from a low-income background, owners can deduct it as a job tax credit, and JTPA will pay half of the salaries. Concurrently, this is an opportunity for owners to learn about hiring procedures and handle personnel reports. To date, 30 students have been hired as full-time employees, and some of them have become partners with the business owners.

Entrepreneurial Development

To better serve the needs of community entrepreneurs, the center was planning a needs-assessment study to identify seminar topics and alternative avenues to developing

partnerships with local industry. Another opportunity that has been identified by staff is to offer highly focused seminars describing practical ideas for business development. It also appears that one aspect of entrepreneurship that needs to be stressed in every related program is the necessity of being proactive in business. The seminar coordinator noted that entrepreneurs usually react to present needs and demand immediate answers to solve crises. To deal with such situations, the center offers management counseling free of charge, and incubator tenants also can receive informal assistance from the specialists at the center. In addition, center staff meet with each in-house client and with students on a monthly basis.

The seminar coordinator characterized first-time entrepreneurs as having a strong technical background but little management experience. He also indicated that lack of financial support is another hurdle for entrepreneurs, who, despite innovative plans and an ambition to carry them out, do not know how to establish a business, including funding and creating a business plan—a process the center leads them through, step by step. According to the center manager, many minority and female entrepreneurs are able to use their status to their advantage—for example, in the area of government contracting, where certain contracts are set aside for just such groups beginning and operating businesses.

Finally, one of the advantages of affiliating incubators with community and technical colleges is the flexibility to react and implement curricular changes in comparison to university settings. The two-year college system can move faster from an idea to program development and implementation to meet the needs of the community than the university. Thus, there is potential to participate more effectively in economic development through two-year postsecondary institutions because of the close linkages with the community.

Case Study 2
Focus on Consulting Services:
Supporting Incubation in a Large City

Background

The new Business Development Center is located in an urban area in a large Western city. The center had its beginnings through entrepreneurship training courses that emerged into consulting services and eventually into the development of business incubation facilities. The center began offering business incubation services to clients when it became apparent that new business ventures and newly established operations needed daily consulting and networking to supplement the courses that were being offered. This business incubation service led to a full-service incubator for a limited number of clients. The success was so great that the facilities have recently been expanded.

The training center, and eventually the incubator, were also developed to foster economic development for the city during a time when job development was scarce. Today, the center remains popular even with high employment and a strong economy. Since its existence, the center has had an impact on the community by having clients start 295 new businesses and by creating 656 jobs with an $18 million gross revenue from sales. It has also begun to attract entrepreneurs with low to moderate income to become successful business owners. The center was also established to attract people with ideas for possible businesses, as well as to serve those struggling to fully implement their business ideas.

Priority for enrollment in the incubator is given to low-income adults, women, and minority entrepreneurs. Recruiting for this group of clients is done through an advisory committee, talk shows, and articles on the center.

Working Strategies

The center's mission is to provide clients with an opportunity to develop a business plan and, in the process, evaluate an idea's potential. The center has contributed economically by assisting in the development of a business infrastructure in areas where there have been few investments and an erosion of capital over the last twenty years.

The center's services have three components: (1) courses, (2) counseling services for new and emerging businesses, and (3) office space and clerical services for existing

small businesses that choose incubation services. To teach the courses, staff invite volunteers who may be graduates of the center or representatives of business and industry and chambers of commerce, and who are interested in teaching and have a background in areas that are relevant to the topics taught in the course. These volunteers are used in the business assistance center, as well as in teaching the training courses. When individuals have succeeded as volunteers, they may be hired as teachers. These volunteers also serve on the advisory committee for the center. Several modes of teaching are used in the classes, including small and large group discussion and presentation, written work, and open discussions of business issues.

Another key aspect of the center is the networking and peer support obtained through business incubation. Networking serves the clients by helping them alleviate the stress that is part of starting a new business. It also serves as a way to generate business exposure to the market. The networking philosophy is encouraged throughout the course, particularly when the client ventures out or starts a new business. Normally, clients "graduate" from the incubator in two to three years. The center's purpose is to help the new business expand, and clients graduate when their business ventures are autonomous. Through a review of the clients' finances and after consultation, the manager helps the client determine the appropriate time to expand, that is, move on and graduate.

The director of the center spends a great deal of time making contacts, promoting the center, and raising funds throughout the community. The funding for the center comes from a variety of sources. The major source is the $400 fee paid by enrollees in a 14-week training program. Seminars open to the public generate additional revenue. Sliding fees are also charged to those who are in-house clients in the incubation center. Finally, grants from a variety of private and corporate sponsors help to fund the center.

Education and Training

The educational component of the center is carried out through a 14-week course in which the student or client is taken through various components of starting and operating a small business. In 14 weeks, the course covers the essential business management skills: marketing, sales techniques, financing and loans, a business plan, accounting and taxes, management, and computer training. The requirement of the course is to develop a business plan that will be used by the client to determine if the venture idea has potential. Client feedback indicates that the development of a business plan, identification of skills needed to

operate a small business, and the evaluative skills they learn are all valuable. Clients also responded positively to the format of the class, which is structured so that, according to one student in the class, "if the discussion topic is on marketing, the complete class participates either through the development of their plan or [that] of others in previous marketing experiences."

"Once a client, always a client," is the director's philosophy, and clients are encouraged to develop a relationship with the teachers and consultants. Clients can use the technical assistance on an extended basis, paying only as much as they can afford for the services. This consulting period may be available for years after clients have left the course or incubator and have successful ventures operating. The open and continuing relationship may be a major reason for the high success ratio of clients in this center.

Entrepreneurial Development

The center's manager believes in getting involved in the community not only to raise revenues, but to tell the story of what the center is all about. Interest in the center comes about through various means such as a talk show appearance by the manager; magazine articles; and referrals by friends, bankers, and satisfied graduates. Potential in-house clients must submit an application which includes a description of their business, its current level of development and general goals (a business plan of sorts), three references, and financial projections for two years. These are reviewed by a screening committee. Selected applicants are then interviewed by a committee made up of consultants, advisory committee members, and present clients. The center's success seems to be a result of a committed board and an active manager who is involved throughout the community. These two factors have led to a sound fiscal basis and the expansion of the center and its promotion in the community.

Clients are concerned with operating capital when starting a new venture, which they perceive to be the major obstacle in keeping their business operating, an issue that is even more severe for minority and female entrepreneurs. Many clients blame bankers' reluctance to take a chance on new businesses operated by minorities and women. The business plan development within the course thus becomes an important tool when starting a new business, since it not only provides the direction to take in a variety of management areas, but it also provides an entrepreneur with sound directions for approaching the banks

for the necessary capital. The manager of the center felt that more than capital, however, success was dependent on how well the money is managed.

Entrepreneurial development for minorities and women remains a challenge which can vary depending on the area they are working in, such as in females trying to enter a male-dominated field. Further, some minority and female entrepreneurs advise that when developing a pool of business clients in the government field, the work of maintaining that relationship demands extra effort in order to keep their affirmative action contracts. Applicants must devote a lot of time and energy to completing forms that often do not result in a contract. For this reason, a majority of the new contracts for minority- and female-owned firms come from referrals of satisfied customers.

Case Study 3
Bringing Professional Management To Serve Minority- and Female-Owned Businesses in Business Incubation

Background

The Business Innovation Center is located in a metropolitan area, once a steel and glass industrial mecca. Like many industrial cities across the United States, the metropolitan area suffered irreparable losses of jobs during the 1980s, and something had to be done in the community to recover from economic distress. This area lost approximately 100,000 jobs during the recession of the early 1980s in the manufacturing industries such as primary and fabricated metals, stone, clay and glass, and electric and nonelectric machinery. Some of those industries which have been the mainstream of the traditional local economy, particularly in primary metals, suffered the most, as indicated by an employment decline of over 50% in the region.

As a result of major economic restructuring strategies to face these problems, employment growth of almost 100,000 new jobs in the nonmanufacturing industries was experienced. This change affected the local industry in wholesale and retail trade, government and services, insurance and finance, and real estate, and required the adaptation of new skills and work practices in the area. Other causes of concern were the need to address the dependency on social welfare programs among the poor and/or disadvantaged in the region. Out of this need, a community partnership embarked upon the creation of a "new workforce"—a workforce ready to face the demands of new and more technically oriented jobs as global market demands become more sophisticated. Presently, the workforce is comprised of minorities, women, the disabled, and, in general, the disadvantaged. Thus, members of these groups needed to be empowered with the necessary skills to sustain themselves in the future.

To meet the challenges of these economic and social trends, several community leaders promoted the vision to create an incubator in the middle of the business district. A large vacant warehouse was selected for this development, and construction begun in 1990. By December of 1993, the facility was well over 90% leased and surpassing all leasing guidelines for incubators in that region of the country.

The Business Innovation Center is run by the amalgamation of several key groups into a solid partnership. This partnership consists of two organizations that have a long history of serving the disadvantaged population in the area. One is a Community Council, and the other partner is a training center. From this association, a business and industrial development group was created.

The Training Center was incorporated in 1988 to strengthen the existing organizational mission to develop, manage, and operate real estate and entrepreneurial development projects. The Training Center has turned into a nationally recognized, private, nonprofit, vocational, and academic educational institution whose primary purpose is to serve the economically disadvantaged. Their inaugural program was the conceptualization and development of the small business incubator, which focuses primarily on serving prospective minority- and female-owned enterprises. Of the 38 clients currently at the incubator, 29% are minority-owned companies, 21% are female-owned firms, 34% are white male-owned enterprises, and 16% represent nonprofit organizations.

Working Strategies

Although the organization does not have any seed monies for clients, it does have good relationships with local banks and the redevelopment authority. The incubator does not require a business plan *per se* to enroll, but it does require a client to have a clear and solid foundation of a business idea. The incubator will work with each client to develop a sound business plan as they go along. The incubator manager considered helping entrepreneurs or potential entrepreneurs their main objective—to make sure the entrepreneurs succeed whether they have a business plan or not. The original business idea has to be "dynamic," according to the incubator manager, in order to be considered for incubation. There is no graduation requirement. They would rather expand the physical available space than to "graduate" clients who are not ready to move out. According to the incubator manager, his role is to take risks, and he is constantly accommodating for growth as dictated by the market place.

In order to satisfy the need to offer entrepreneurial opportunities to minority and female entrepreneurs, the first development in this direction was the creation of the Innovation Center. The business and industrial development group and its partner, the Training Center, have been constantly involved with the development, renovation, and leasing program phases. As developers of entrepreneurial opportunities, the center has

established a program of technical assistance to special populations which are based outside the incubator. The primary focus of this program is on (1) serving the at-large population of prospective minority and female entrepreneurs in the area; and (2) assisting the for-profit ventures initiated and owned by a nonprofit corporation, and a sister nonprofit organization involved in the crafts.

An important feature of this operation is that a professional organization located in the area was brought in to provide support services to the incubator clients. This organization represents one of the most successful operators of incubators in the country. The philosophy of business incubation brought about by the external professional organization focus on cultivating business opportunities for minority- and female-owned businesses. As the incubator manager explained, "what makes an incubator successful is not the common building nor the shared occupancy, it is the business support services offered and the level of intervention between building management and the tenants."

With this service mission in mind, the consortium of agencies has three major working strategies. The first strategy involves entrepreneurial development and technical assistance offered to prospective minority and female entrepreneurs within three categories: (1) business plan assistance, (2) financial counseling, and (3) building acquisition and renovation feasibility analysis. The second strategy includes entrepreneurial development and technical assistance for the for-profit enterprise sponsored by the Training Center (a food enterprise). The third strategy within this scheme is the operation of a small business incubator focusing on minority and female entrepreneurs within the structure of the Innovation Center. As part of its entrepreneurial development/technical assistance program, the development group is involved in the development and management of the small business incubator. The business and development group, in conjunction with the external group hired to provide support services to the incubator clients, has specifically designed and is presently implementing three operational and programmatic components for the Innovation Center.

The first component focuses on outreach activities. This program is designed to recruit potential minority and female incubator clients for the Innovation Center through a structured entrepreneurial outreach program which consists of five sessions spanning a two-month period during the year. The second operational component involves the development of a small business incubator portfolio and management plan. This program

consists of 22 office practice services and 21 management and technical services provided to the clients at the incubator site. These incubator services help in reducing the business failure for incubator businesses from a typical rate of 80%—within the first five years—to 16% while leasing space as an incubator client. The third operational component includes an advisory council to assist in the planning and implementation of events at the Innovation Center.

In addition to entrepreneurial opportunities to low-to-moderate income minority and female entrepreneurs, the following entrepreneurial development programs have been specifically designed for minorities: (1) a trade program, (2) an artisan program, and (3) a food production program. These programs focus on a particular industry sector in an attempt to develop a cluster of emerging companies that are able to supply a variety of similar products to that industry's distribution channel. Thus, the evolution of a business concept and the products it makes are structured around specific market sectors that will readily accept the new business' products and/or services.

Education and Training

Based on the premise that it is not enough to just train minorities and women in technical skills and professional occupations, minority and female-owned businesses are stimulated so that they, in turn, employ more minorities and women. Thus, the acquisition of "vocational skills training" plus "minority entrepreneurial development" is emphasized to foster economic development. For instance, their Training Center is a vocational training facility designed to accommodate these new employment demands. Their facility offers an IBM Information Sciences Center, a culinary instructional wing complete with a fully equipped kitchen, food preparation areas, servicing lines, food storage area, and a 150-seat capacity dining room where lunch is served five days a week. This facility also includes a 30-seat culinary arts amphitheater.

Further, the Training Center offers a Medical Technology Program, under which the following plans of study are offered: (1) pharmacy technician program, (2) medical transcriptionist, (3) medical secretary, (4) electroencephalography (EEG) technician program, (5) medical claims processor, and (6) chemistry laboratory technician. Upon completion, trainees are offered entry-level positions as externs with renown national companies. This training facility complements the skill building programs with basic adult literacy and General Educational Development (high school equivalency) programs. Their

commitment to supportive services includes career education, job placement, counseling, remedial education, reduced-cost lunch programs, aides, and interpreters.

Another training facility offered through the auspices of the Training Center is the community arts resource program for the minority community served by this agency. This art center has national recognition as a neighborhood-based effort to promote ceramic arts and crafts. This is a cooperative program set with the public schools to offer artist-in-residency status to high schoolers who become practicing artists. Through this residency period, high school students are exposed to programs that complement existing, established, quality teaching programs allowing the student to enhance their career opportunities while getting trained in the arts. A photography studio readiness and training program is also offered and includes an art exhibition and workshop program. Additionally, there is access to a performing music hall and auditorium, complete with sound reinforcement and a 24-track recording system, performance lighting, 16mm film projection capabilities, and multi-image slide projection. This coordinated effort allows the development of a comprehensive performing arts program coupled with training and master classes, which in turn offers high school students an opportunity to acquire marketable, entrepreneurial skills while still in school.

The Training Center also offers a self-sufficiency program. Through this program, the Training Center created a food services company and a joint venture with a local radio station. The food venture is a restaurant business at the local airport, and the joint venture with the radio station produces and distributes 12 one-hour audio-video productions of selected jazz concerts to be held at the center's Music Hall.

Entrepreneurial Development

The role of the incubator manager has been pivotal due to the time he can devote on an individual basis to the incubator clients. The incubator manager believes that his role as an incubator is to provide minority and female business owners an opportunity to prove themselves and to become credit worthy, and then prove to the traditional business institutions that they can succeed in business. He places more importance on the fact that this special entrepreneurial group is serious about success, noting, "I have folks that are women and minorities that want to be known as business folks, not as women business folks or minority business folks."

In regard to business plans, the requirements are flexible because the manager uses them for training purposes. He prefers entrepreneurs who can offer a dynamic business plan rather than a blank opportunity to get cheap rent for their business. He even allows clients to accrue rent for several months if they are willing to improve or expand their business according to a well-defined and feasible business plan.

The incubator's flexibility regarding the requirement for a business plan at the onset allows the manager to work one-on-one with entrepreneurs who develop this plan based on the clients' needs. In one case, a computer software company began work on a business plan after being in business a year and a half, at the point of expanding its business where the financial needs were most crucial. Others may present a "dynamic idea" rather than a business plan, and they get help from the incubator in developing one as they begin their business operations.

The incubator's commitment to assist the immediate community in getting a hold of employment opportunities is well-represented by the "equation" which adds vocational skills training with minority entrepreneurial development to obtain economic development for all groups of the population, minorities and women in particular.

CASE STUDIES
GROUP B: SUBURBAN EFFORTS

Case Study 4
Networking Opportunities Through Business Incubation

Background

The Business Enterprise Center is located in a small suburban community near a major cosmopolitan city in the Southwest. The incubator has a capacity for twenty clients, and at the time of the visit, it was almost at full capacity. This community has gone through the same economic problems experienced by the rest of the nation over the last two decades. The need to create opportunities for economic development was obvious, and the community had to react immediately by creating new jobs, new entrepreneurial opportunities for those willing to take risks, and to devise new and improved opportunities for small businesses in need of expansion. The current executive director proposed the creation of the Business Enterprise Center to the local community college after an extensive tour of incubators around the nation where he found successful incubators that could be replicated in this community. This idea was endorsed in part by the local community college. The proximity of this incubator to a large and reputable health industry reinforced the community college's decision to create an incubator. The incubator at the time of our visit was in the process of installing a medical technology training program to let people gain access in various medical areas.

Working Strategies

Incubator efforts are aimed at providing innovative educational opportunities to empower individuals so they may achieve their highest potential and thereby enhance the community's quality of life. The incubator was funded by the local community college with provisions to function under the steering of an advisory council. The advisory council was designed to work closely in the development of business opportunities for local entrepreneurs in need of a nurturing environment and to bring their entrepreneurial dreams to fruition. Even though the community college does not offer courses in entrepreneurial development, the incubator manager did not consider that a deterrent to developing the business incubation idea. To this end, the incubator will bring in the necessary specialists, including loan packagers, Small Business Administration (SBA) personnel, and others to assist clients in either start-up procedures or the day-to-day operations of a business. The

center offers business incubation rental space at a relatively low cost, and shared services and business counseling for new and emerging businesses in the community. Business counseling is offered through an interface program with local organizations. Funding for the management of the incubator activities comes directly from the community college and rental revenues.

The incubator promotes economic growth in various ways. For instance, the center has been the major sponsor for two government procurement shows. The center has also sponsored a small international conference with the local county's Chamber of Commerce and is networking with other economic development initiatives in the community. These activities will enhance trade and business opportunities for area businesses in both the domestic and foreign markets.

The incubator requires a business plan to become a member of the center. The incubator helps potential clients define their businesses prior to committing a space in the incubator. In terms of exit criteria, the incubator has a three-year graduation policy, but it is enforced flexibly. The incubator offers a 30-day notice to terminate the client/incubator rent agreement, rather than a strict enforcement of the lease contract. The executive director spends a great deal of time in the "political arena" trying to keep the incubator afloat and therefore spends limited amount of time with clients, especially on a one-to-one basis.

The Business Enterprise Center does not have any investment or business development capital available for its clients. The center offers only referrals to financial institutions because of its lack of venture capital or business development funds. Indeed, the incubator finds the lack of adequate financing for clients one of the most critical limitations for business start-ups. The incubator charges its clients for basic services such as desktop publishing services, phone service, and rent. Further, the incubator manager firmly believes that a good entrepreneurial idea should be encouraged and assisted in order to be implemented. Hence, the role of the incubator is to become the nurturing environment where basic infrastructure and counseling services are provided to new entrepreneurs.

In some isolated cases, the incubator-assisted business graduates returned to the incubator to lease space at rates lower than the prevalent market rate in order to continue in business. This is an indication of the incubator's commitment to provide clients with the opportunity to survive during and after their incubation period. This provides

encouragement and builds morale for businesspeople. The center assists existing businesses through workshops and training programs and in job generation by qualifying people for entry-level jobs in some vocational areas which are expected to increase in demand in the near future. Within this scheme, the center was designing a program for electricians anticipating job generation in this area.

The Business Enterprise Center offers commercial space at 50% to 75% of market value. The center has created over 100 jobs, and the estimated impact, as measured by local economic indicators, showed that each payroll dollar is turned over three to four times around, according to the executive director. At the time of our visit, there were 16 incubator clients, of whom six were minority males and two were women. To date, the incubator has graduated 14 clients. Among the graduates, one was a minority male and five were women. Its proximity to one of the largest U.S. metropolitan cities affords this incubator many amenities lacking in other small suburban communities. This small city has industrial park space to accommodate new industries, small and large, allowing the clients at the incubator the opportunity to move in at the end of their incubation period. This, in conjunction with the city's infrastructure, is designed with the entrepreneur in mind. The city offers low tax rates and provides a full range of services for new and expanded business development.

Education and Training

Besides clerical support, commercial space, and counseling services, the center offers an education and training component consisting of air conditioning programs, building owners programs, and computer training. A special program in medical technology was being designed to satisfy the local demand from the health industry to train new workers. Further, the incubator provides workshops and seminars in cash management, health insurance, sexual harassment in the workplace, banking relationships, and SBA loan packaging. Training is also available on hiring; workmen's compensation; accounts receivables management; interviewing; contract negotiation; effective résumé writing; ADA; training employees; advertisement; marketing and promotion; retirement plans for owners and employees; selling products or services; and legal aspects of sole proprietorship, partnerships, and corporations.

Further, the center provides innovative educational opportunities in the community in the following areas: (1) TQM given in cooperation with a local specialty firm; (2) taxation for small businesses offered in conjunction with the local office of the Internal

Revenue Service; and (3) SBA loan opportunities, delivered in partnership with a nationally known bank and the Small Business Administration. These programs provide the business community with hands-on training opportunities.

Entrepreneurial Development

The incubator provides support activities to assist clients in developing their entrepreneurial activities as well as their business's professional development. This is complemented through a good working relationship with several local banks, the local SBA office, and a group of retired executives who provide assistance to clients routinely. Further, roundtable discussions held every six weeks allow incubator clients to attend workshop-like sessions where they learn about contemporary topics related to managing and improving their business.

Incubator clients in general, including minority and female entrepreneurs, feel confident about their businesses, the opportunities offered in the real world, and their entrepreneurial abilities. An African-American entrepreneur explained that being a minority is not an issue because, "the way that things are today, there's a real market place for anyone so I don't think that [being a minority] in particular makes it any more difficult today. You're just going to really work hard and persevere with them. Just keep knocking on those doors. That's really all. It's in and out.

Clients in the incubator also generate and nourish ideas among themselves. Clients believe that helping one another has brought them closer together, and that this synergy accounts for a lot of good ideas that has saved them time and money. Clients meet regularly at the parking lot where ideas, problems, and solutions are exchanged. This situation seems to be prevalent in incubators where one- or two-person operations are common, and clients do not have a lot of time to spend in seminars and/or workshops, especially during working hours. The synergistic value of this incubation process and the opportunities for networking were consistently mentioned by in-house clients as one of the most important aspects of their experience at the incubator.

Case Study 5
Supporting Small Business Development in a Suburban Community: A Community College Involvement

Background

The Small Business Development Center (SBDC) is located in a suburban area around a large Midwestern city and is operated by one of the fastest growing community colleges in the Midwest. The center had its beginnings with funding from the U.S. Small Business Administration (SBA). Today, the center is sponsored by a partnership between a local community college, the SBA, and the State Department of Commerce and Community Affairs.

The program began through an interest by the community college to expand its economic development efforts in the community. The college's efforts in economic development included the standard services in technology transfer, customized training, and the preparation of citizens for initial entrance into the workforce. However, it became apparent that the missing component was small business development for individuals with an idea, but no place to turn to for advice and help in starting a new business. The college found a number of citizens returning to adult classes in accounting, marketing, and other business courses for the sole purpose of starting a small business. The college therefore approached the SBA seeking its help in providing services to these individuals. Out of this contact, a partnership was developed with SBA to implement the SBDC.

Working Strategies

The services offered through the SBDC are designed to assist small businesses with management assistance when problems arise by providing free one-on-one counseling in all areas of business operations, recommending local channels for financing, providing legal and professional resources, providing quality, small business seminars on various business topics, helping businesses bid for federal contracts through their Procurement Assistance Center (PAC), and providing quality training workshops. According to the director, the center "has succeeded because of sufficient staff, school backing, and quality support from advisors and counselors."

One important feature of the program is the mentor/protégée program. This program involves mentors who are seasoned entrepreneurs recognized within the community and

industry for their excellence and leadership and includes women mentors working with women entrepreneurs. A mentor can be a businesswoman who (1) founded or has owned her company for at least three years, (2) has a successful business as demonstrated by the steady growth of her company, (3) is willing to devote an average of four hours per month to her protégée for at least one year, (4) is willing to work on a one-to-one basis with her protégée to discuss or provide necessary information about her business and to develop a mentoring relationship, and (5) will respect the confidential nature of shared information. The mentor/protégée program helps the participant entrepreneur reach her potential by steering her in the right direction or putting her in touch with the right people.

Mentors play critical roles in the success of the program. Evaluations for the program shows that protégées benefit a great deal from the interaction with their mentors. It appears the program gives an opportunity to articulate what has worked for the mentor in the past, what mistakes the protégée might not anticipate, and what things the protégée might do differently based on the mentor's assessment of the current situation and projections. There are many successful small business owners with potential for participation as mentors. However, the director of the center indicated that they were having problems finding mentors for the program. The reason given most often for not participating is that their businesses are in a growth stage, and they have to devote 100% of their time to the supervision of the daily operations which leaves no time for mentoring activities.

Another major component is the introductory training course. This course is a 30-hour self-employment training course described below in the Education and Training section of this case study. Briefly, the course provides the basic introduction to starting a small business, including the development of a business plan. Following the completion of the introductory training course, personal counseling is available upon the completion of a business plan. This counseling is offered by the consultants who conduct the training course and can continue for up to two years following completion of the course. This contract with the consultant runs for around $3,600 to $3,800 over the two-year period.

In addition, the center uses a cadre of counselors (e.g., CPAs, retired executives, lawyers, marketing people), who donate their time for business counseling purposes. Counseling is only done by appointments arranged through the center. In the director's

experience, those clients who receive continuous counseling are more likely to begin a business and succeed than those who come for a single counseling session.

Another component of the SBDC is a ten-week Group Consulting Course that the college offers, and which employs various professional consultants. The cost for this course is $99 for the full ten-week session or $15 per session. The topics include introduction to business plans, legal issues, management, financing, accounting, computers, insurance, credit management, sales, and marketing.

The center is open 12 hours a day, five days a week. The center also makes available business planning software and financial computer programs for clients. Overall, the SBDC has had 29 business start-ups out of 102 people who have completed the course. Through a "we-net" program, the incubator reaches out to women. The program includes the mentor/protégée component and brings specialists in for roundtable discussions on topics of interest to the clients. Successful women entrepreneurs are also featured as guest speakers.

Education and Training

The self-employment training course is the central feature of the center. To conduct the training course, the center relies on a private vendor. The course is a self-employment training program of 30 hours in length and includes topics covering the typical areas needed to start a new business. Through these topics, the course goes over 45 decision points that need to be made in starting a small business. As students put these decision points in their workbook, a business plan begins to emerge as a feasible idea. At the conclusion of the 30-hour course, along with the coverage of the 45 decision points, the student has a complete business plan. The course is delivered in three hour blocks for ten sessions, and a fee of $295 is charged to participants. For some students, this course serves as an eye-opener in regard to the many aspects that need to be considered when starting a business.

This training program appears to be appreciated in the business community and by those individuals interested in becoming business owners. Thus, this program is used by other community colleges in the metropolitan area as well. Despite its success, the center director has admitted that the training course could be improved. She commented that at this point the course covers too much in a limited time, and she suggested that maybe the course should be expanded.

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The college offers the course through an outside consulting firm because it lacks the time and a sufficient pool of expertise to develop such an extensive practical course in small business development. The private consultant firm employs various trainers to deliver the course because of the demand that has been created for the course. Hence, a separate course has been developed to train the trainers. Prospective trainers must be successfully self-employed for at least two years. Further, a trainer needs to be someone who has good presentation skills along with years of experience in a small business.

The private contractor/consultant who operates the training course also conducts the screening of potential course participants. The screening includes four hours of one-on-one counseling based on a person's concepts of a business plan. Selected participants must also sign a contract stipulating that they will reveal their profit/loss information at some unspecified time in the future. Since the course is operated by the private consulting firm on a for-profit basis, this screening process is found appropriate in the community. A community college offering a similar course to the general public would probably not be able to screen so extensively. Once participants are accepted into the program, the consultant is responsible for their training for two years.

Another important component of this program involves the development of working relationships with area high schools. The purpose is to promote entrepreneurship education and to interest students in pursuing opportunities in developing a small business. The emphasis has been on approving high school courses that could be taken for advanced credit at the postsecondary level. The courses approved are Accounting I, Micro Microcomputers, Marketing/Sales, and Sales Management. Students pursuing all these courses could enter the community college with nine credits completed. However, there has been limited success with this effort, perhaps because students do not value training if credit hours are not assigned to it.

An informal perk of the education and training program is the breakfast clubs. These clubs have as their major objective the establishment of networks. Speakers are brought in from businesses to speak on topics of interest to small businesses. Alternative programs will have two or three small business owners speak on their success or on how to overcome a specific problem to small business start-ups.

Entrepreneurial Development

A major factor for success in this program is the consultant services that are available through either the private firm that provides the formal course or the counseling services provided by the college. The private consultant offers each student four hours of one-on-one counseling to talk about how to develop the business plan. Instructors speak extensively about the clients' business goals broken down for three-, six-, and twelve-month periods. In the course, participants address goal setting; whereas one-on-one consulting sessions allow discussion of specific details of business planning with the assistance of the instructors. In addition, the consultant's contract stipulates that the client must have three months of living expenses in the bank to assure a commitment to the course and for business planning considerations. In 1994, the program had 69 women completing the course out of the 102 total completers. From these participants, 17 men and women minorities have completed the course.

When asked to identify the major skills needed to develop a small business, entrepreneurs observed that the ability to make judgments and apply common sense was an important characteristic for small business beginners. Another characteristic for entrepreneurship is the desire to become independent and the opportunity to develop new ideas. One client indicated that some people become entrepreneurs by taking calculated risks and that entrepreneurs show leadership because, for the venture to be successful, they have to persuade family, bankers, customers, as well as employees of the viability of their business plans. Entrepreneurship and leadership, according to this perspective, are about convincing people to move in a certain direction and to be enthusiastic about it.

Finally, all the clients agreed that the major accomplishment that turned them in the right direction was the development of a business plan during the class sessions.

Case Study 6
Offering a Variety of Business and Entrepreneurship Coursework

Background

The Economic Development Center is located at one of the largest community colleges in the Midwest and is sponsored in part by the U.S. Small Business Administration (SBA) and the state's Department of Commerce and Community Affairs (DCCA). This center was designed, among other things, to meet the management assistance needs of small businesses. It offers individual counseling at no cost. It also offers workshops on business education and fundamentals for low and affordable fees. All these services are available to owners of existing small businesses and persons planning to start a small business.

The Economic Development Center is a branch of the Business and Professional Institute of the college, and is a rich source of business training for small business and innovators in the area. This assistance is offered through a series of activities including monthly breakfast meetings, workshops, and seminars. This center assists more than 1,000 companies each year.

The college was created in the late 1960s and serves a highly populated three-county area within an identified high-tech, high-growth research and development corridor. The college where the Economic Development Center sits was created to serve an "Advancing Community," as the state's Community College Act was called. Its advertised goal is "to serve the area's special needs, by providing high-quality occupational programs for students working toward professional, semiprofessional, technical, and skilled jobs, with curricula that reflect the quick moving technological demands of our society." Further, the college is a two-campus educational institution under one central administration. One campus is designated as the Central Campus and offers occupational programs and credit courses. The other is designated as the Open Campus, and it offers both credit and noncredit courses and operates learning centers throughout the district. The Business and Professional Institute is part of this Open Campus.

Working Strategies

When the college opened its doors in 1967, over 26,000 students registered, and classes were held in forty leased sites, since the campus had not yet been built. This

development was prompted by the rapidly growing community and the advancing new and cutting edge technology used by the local industry.

Through the Business and Professional Institute, the college also developed small business seminars, which are offered on a continuous basis due to their popularity. These seminars were developed through a partnership between SBA, DCCA, and the SBDC. The cost for these seminars ranges between $10 to $295 each.

Entrepreneurial workshops and seminars are taught both by the college's faculty and staff and by experienced professionals from a wide variety of backgrounds who provide sound, practical counseling. This cadre of professionals includes private consultants such as business owners, CPAs, other university and college faculty, and professional staff members of SCORE (Service Core of Retired Executives).

Education and Training

The Business and Professional Institute's SBDC provides education, training, and economic development assistance to business and professionals within the district the college serves. Staff members consult with businesses, services, and organizations to determine training needs and to design training programs. Within their scope of local assistance, the center further provides economic development assistance to businesses, chambers of commerce, associations, and the local governmental agencies. Through this center, the college provides resources on economic development and specialized small business assistance in the areas of international trade and government procurement assistance, with the other two divisions stemming from the Economic Development Center. The workshops and seminars offered to entrepreneurs have proven to be popular in the community. These courses facilitate learning in various ways to a mix of people interested in the practical conduct of business. Others may take these courses to get reacquainted with concepts they may have learned much earlier.

Sometimes the college sends the center staff out into the business and general community to identify course, time, and content needs. Through this effort, the center is able to assist this special population with support activities directly related to their needs. The responses are usually considered important enough to offer these courses off campus if that is what is needed.

Entrepreneurial Development

The center encourages educational entrepreneurial experiences in which the entrepreneur, or potential entrepreneur, will satisfy his or her intellectual curiosity, retool his or her present skills for maximum effectiveness, and meet with other people who are looking for a career in business or wanting to know how to become better business owners. For instance, one female business owner, who had just gone into business after spending a number of years in a field different than what she specialized in, came to the center to stay current with her profession and stay afloat in her new business because she had to be creative and competitive.

The center's purpose to provide small business management assistance is based on its belief that business owners, or potential entrepreneurs, lack management training and knowledge. This can be quickly remedied by emphasizing the management skills students need to successfully build a sound business plan. Sometimes the instructors suggest that business owners or potential business owners take specific courses (e.g., accounting) to build up their management and/or business skills. The business management/marketing coordinator added: "Sometimes my students who are engineers are quick and bright, but have no idea about requirements for a successful business. They are lost, and surprised to learn that it takes a lot of preparation to open up a business. You have to have the business plan and be adequately prepared, otherwise you fail."

Other factors in failure may be inadequate preparation in researching the specific market needs for their business, loss on anticipated revenues, or unexpectedly high business expenses. When this occurs, small business owners who cannot afford expensive consultants are at risk of failing. With this in mind, the center sponsors quality counseling sessions available to state business owners with fewer than 500 employees or less than $3.5 million in annual sales.

CASE STUDIES
GROUP C: RURAL EFFORTS

Case Study 7
A Community Approach: Business Incubation Without Walls

Background

The Small Business Development Center is located in a rural town in the heart of an American Indian reservation. This part of the country is so rural that there are no banks in the area. There is a form of tribal credit which operates like a credit union to meet basic financing needs but without the full line of banking services. An attitude of progress is nurtured within the traditions and the natural landscape and is reflected in an award-winning museum built to showcase the culture of the American Indian confederation. It is both a symbol of hope for the future and respect for the rich culture of the people.

The economic conditions of the area, which are characterized by the lack of business opportunities and credit support, triggered the need to establish a business assistance center to support economic development. For instance, according to the incubator manager, the experience in this part of the country is that 75% of all starting businesses fail within five years of operation. A number of these cases were used to point out the need for assistance and prevent this situation from happening. Further, most people were not able to afford professional help and were getting off to a bad start. Concurrently, there was not commercial space available to showcase regional products and crafts and to stimulate economic development or entrepreneurial interest. The result was an incubator without walls which includes a program to foster entrepreneurship and help business owners survive the initial stages of operation. The focus is on quality business education and services.

Working Strategies

The vision behind this effort was to establish a comprehensive approach to economic development rather than just an incubator to rent space at affordable rates. Under this approach, four components are working together to provide new avenues to foster entrepreneurship in the community. First, there is a program in place to educate and train would-be entrepreneurs in various key business and entrepreneurship areas. Second, there is access to financing opportunities to start a business. Third, there is commercial space

available to establish business ventures. The fourth component was designed to provide ongoing assistance to in-house and external clients to support start-ups and established businesses in the community.

The goal is to establish clusters of buildings (i.e., a business incubator and retail village) which would serve the needs of entrepreneurs at different stages of their business ventures. Thus, there were plans to expand the business incubator to make more space available for in-house clients. Funds to support these plans come from internal tribal sources. In-house clients will be expected to pay below-market rent prices during the first year of operation and gradually increase payment during years two and three until they reach fair market prices and the time to move out. The ultimate goal of the program is to help economic development across the board by supporting existing and new businesses through business development and job creation strategies.

The first step in the plan of action was to hire a manager with business and financing expertise. Even though the current manager does not have a Native American background, he is well-accepted in the community. The manager has a background in accounting and had taught at the community college level for six years. His experience covered finance and management and included a diverse background in both private and educational settings. His perspective was that "if you are straight with your clients, give them the good news and bad news, are honest with them, and deal with them fairly and respectfully, you receive their backing."

The second strategy included a search of working business incubation and development center models to establish a comprehensive plan of action. The manager toured several incubators and development centers around the nation to get a sense of effective working strategies. He found that the majority of business incubators provided space on a low-rent basis but did not provide a comprehensive approach to education and training, nor a combination with a financing component. Some incubators did have funding opportunities, but the complexity of the format (e.g., county or state programs) was not appealing to the manager. After touring and reviewing various modes of operation, it was decided to establish a comprehensive plan and an assistance center focusing on services rather than just space at low cost.

The third strategy was to develop a comprehensive plan of action to support economic development efforts. The plan of action the manager proposed was a three-phase model to meet the identified needs. The first phase was business training through what the center calls a "14-week Greenhouse Program." This is a small business management course that addresses issues that would face someone wanting to start and operate a small business. Topics include bookkeeping, tax compliance, budgeting, and money management. The second phase was to develop a working strategy including the development of a resource center, business incubation opportunities, and a grant program modeled after the Small Business Administration's. Under this approach, entrepreneurs would have a choice of incubation operation to start a business, business assistance only, and/or access to information and credit opportunities. The third phase included the development of plans to build a retail village to provide an outlet for local businesses. This building complex was designed to have a Native American motif built around a restaurant, gas station, and a cluster of retail shops for the local artisans, all tied into a village concept. The business development department of the community was to cover a portion of this venture to promote economic growth.

The plan of action also included a review of extant models and operations to adopt and adapt the best practices to local needs. "You don't have to re-create the wheel over and over again when you try to implement these programs," the manager said. An example of the system is a graduate of the program who used the SBDC to take the "Greenhouse Program," get a business loan, and move from a home operation to a commercial space at the retail village. The key feature of the working strategies was the commitment of the community to fully fund and make this program work. Concurrently, there appeared to be a sense of community due to the size of the setting and the nature of the tribal approach behind this program. The center does not have a board of directors, but feedback is produced through a monthly breakfast meeting with the area Business Association. This association is represented by local business owners who act as an informal steering committee.

Using the Business Association as the springboard, the fourth strategy was to establish a network to provide a forum for individuals in business. Monthly breakfast meetings have been successful and attract between 25-30 people each time. This is an opportunity for entrepreneurs to voice their concerns and face challenges as a group.

Reflecting upon these meetings, the manager indicated this is probably one of the most effective ideas implemented in collaboration with the Business Association.

Participant clients are charged $150 for the 14-week training program and do not have to be in the incubator to sign up. The program is open to all individuals who are interested in being self-employed. Upon graduation from the 14-week program, technical support is provided to those interested in starting up a business. In-house clients have 24-hour access to the center facilities. Some clients use the SBDC to do their paperwork but spend most of the day doing business outside so they have a fully functioning office without worrying about having to be there. Individuals working under this arrangement are called member businesses. Presently, there are only two businesses located physically at the SBDC all the time. The majority of the clients are member businesses who come and go when they need to. There are no fees for membership nor any charges for consulting or support services unless clients want to do some heavy mailing, in which case clients are charged postage. To support free access to these services, the SBDC relies solely on tribal funding. Services are advertised through radio stations belonging to the tribe, a local newspaper, and program flyers. Overall, this coverage is enough to inform potential clients of opportunities offered by the center.

Education and Training

The "14-week Greenhouse Program" begins with a personality test to identify strengths and weaknesses in relation to the kind of business would-be entrepreneurs are interested in pursuing. Initially, this activity was taken with skepticism, but after results from the personality profile were delivered, everybody appreciated the idea from a motivational point of view. For other participants, profile results indicated weaknesses in relation to the line of business of interest (e.g., introvert individuals interested in highly customer-interactive business).

Curriculum materials were drawn from extant materials and adapted to the needs and circumstances of the local clients; they include standard topics such as cash flow, inventory, personnel problems, and so forth. The program itself was modified to be sensitive to the tribal culture, but the goal was to provide education and training opportunities to be able to function effectively both on and off the reservation. Some of the curriculum materials were developed by the manager, and include a manual which provides basic practical information to manage a business. The manual is organized in three sections

for training and actual practice purposes: Section A is cash receipts, Section B is cash payments, and Section C combines sections A and B to provide a monthly income statement. This manual system can be used to keep track of day-to-day operations and for tax purposes.

The second component of the training program involves developing a business idea into an actual business operation. The vehicle for this component is the development of a business plan which includes a market and financial assessment to evaluate its feasibility. A requirement for graduation is to have a fully functioning business plan that can be readily implemented. Participants are encouraged to use their business plan as a model to explore other business ventures.

The first program lasted 25 weeks and served to gauge the effectiveness of various approaches and the commitment of local individuals interested in business. Some of the activities were somewhat redundant, and the overall length was reduced to 14 weeks. However, the length of the program is flexible to accommodate individual needs.

The instructional approach is based on standard lectures, but the class size is usually small, limited to 15 participants. Further, instructors are sensitive about the culture, and the majority of them have experience with tribal issues. Thus, they are able to relate to contextual circumstances and applications of curricular activities drawing from tribal perspectives. However, the manager believed most business issues are universal and apply across ethnic groups. "Cash flow problems, personnel problems, management problems, those are pretty much the same. Now, why you have those problems may be different, but you still have the same problems," he said. The criteria to recruit instructors include previous work experience with the tribe, practical experience on topic of interest, and good presentation skills.

Other educational opportunities include a monthly workshop with topics based on demand which is taught at night. The goal is to provide classes based on need to encourage people to use SBDC facilities and services. Another opportunity is provided in the form of a 12-month business management course delivered through monthly sessions for people already in business. Some of the topics include the understanding of entrepreneurship, business resources, personnel training, marketing, merchandising, selling, customer

relations, record keeping, and tax compliance. This course addresses in-depth, practical issues as a continuation of the 14-week Greenhouse Program.

Entrepreneurial Development

According to the manager, the biggest problem in entrepreneurial development is how people in the area perceive debt. Tribal culture does not place much emphasis on debt repayment, and this situation needs to be addressed by starting businesses. Transactions are usually handled in cash because there might be trouble collecting credit sales. Other problems faced by local entrepreneurs are not unique to the culture. These problems include management of cash flow, personnel, and other problems which are the same across the board.

Given the traditional environment of the tribal culture, women face some barriers typical of rural communities. The center manager reported the majority of the local businesses are male-oriented organizations. However, he added, there were female entrepreneurs taking advantage of SBDC services that were breaking the mold in the area. So far, the few women who have established business ventures in the community have been well-received and are doing well.

Some of the Greenhouse Program graduates have established business ventures to sell products and services. In a number of instances, the SBDC manager acted as a mentor to guide and assist graduates during the early stages of their business operation. The opportunities presented for entrepreneurial development to fill market gaps both in products and services are limited by the lack of funding sources in the area. The manager contended that "no matter how much training you had, no matter how much support you got, if you don't have any money to work with you are not going anywhere." Thus, the tribe established an in-house business loan and grant program to supplement any state and federal programs available in the area.

Once entrepreneurs become proficient in business management practices, there are opportunities for expansion. Thus, the SBDC was designed to provide a combination of specific and broad services to prepare entrepreneurs to move somewhere else or expand their business ventures. In this context, the business plan appears to be of key importance in developing entrepreneurial understanding of both business opportunities and the practical implications of starting up or expanding a business.

Case Study 8
Connecting Economic Development, Business Incubation, and Classrooms in a Rural Community

Background

The Small Business Development Center is located on the local college campus in a rural city overlooking the Rocky Mountains. Currently, there are two buildings owned by the college and one building owned by the college foundation. This rural college is located in the south central part of this Western state. The story to be told in this rural and sparsely populated Western state is the impact that a college leader can have in the development of the area through a vision for economic development. Prior to the president of the college coming to the area, this rural community was much like any rural setting. The economy was depressed with few businesses starting up because of the difficulty in finding the necessary assistance in the community.

The college president's arrival from a Southern state brought a vision for economic development based on developing partnerships between agencies, the community, and the college. The college president felt that a rural community's survival depends on expanding and developing small businesses through a utilization of the community college as the resource for pulling together the necessary partners. He also believed the SBDC could foster ideas for economic development in the rural setting. The college president began his approach by involving the college staff in the development of a concept for economic development for the rural setting. Following this development, the community and various partners were approached for their involvement. Out of this planning emerged a small business development approach that was to be comprehensive in services, offering a small business assistance service, a college curriculum based on developing a business, an adult extension service to small businesses, and an incubator center for new potential business start-ups. All these services are now in place and operating through the community college.

The initial objective of the program, which turned out to be unrealistic, was to have students who were going to work for a company upon graduation instead go out and start their own business. Later, the program developed a more entrepreneurial philosophy with a focus on support services to new business ventures. Hence, the center's mission is to provide assistance to young and promising companies to optimize expansion opportunities and minimize threatened losses. To carry out this mission, a partnership based on a

business assistance team has been developed through the Economic Development and Innovation Center of the college and the state's SBDC. The SBDC is a center that offers business assistance to small businesses in the area.

The center also offers courses to college students on starting new businesses; workshops and seminars for interested individuals who have started a small business or are interested in the same; and facilities for housing new business start-ups. The various services provided by the center are done so by the City Economic Development Office, the college's Innovation Center, SBDC, and the Vocational Division. These three entities work cooperatively through one office located at the college.

Working Strategies

The philosophy is based on an economic development emphasis for helping people get started in new businesses which in turn puts more people to work. The purpose is to stimulate business growth from within through entrepreneurial skills. This philosophy has been implemented by switching to an entrepreneurial focus and providing comprehensive services to the business community. The SBDC is managed by the Economic Development and Innovation Center which is directed by the college. An advisory committee was organized to advise the SBDC and the business incubator. The advisory committee is composed of successful entrepreneurs, financial advisors, marketing specialists, and a training consultant for retail businesses. With the support of the president of the college and a strong advisory committee, the SBDC is assisting small businesses and working on improving the economy of the area by "growing" the business from within the community itself.

The business incubator provides small businesses with one-on-one services such as needs assessments, business planning, market research, marketing strategy, financial statements, cash flow analysis, and other business-related services. These services are provided through consulting and/or courses provided by the college. The services provided by the business incubator include clerical support; business consulting; management consulting; and office equipment such as computers, telephones, copy machines, and a fax machine. To join the business incubator, each prospective firm (1) must consider hiring a person for its business from a low to moderate income family, and (2) must have a business idea with potential to create jobs and bring outside dollars into the area. If the prospective firm is in the retail or service business, it must not compete with other firms

already in incubation. In addition, firms should provide evidence of need in order to take advantage of the low rates for commercial space at the business incubator.

Incubator clients spoke about their reasons for seeking space in the business incubator, including the opportunity to hire students for temporary work at a lower pay scale than in the regular market or nearby cities. These students were usually involved in business courses and understood the processes involved in small business operations. Further, in-house clients were motivated by the availability of clerical and counseling services, commercial facilities and reasonable rent, and the training program. Low rental fees appeared to be the primary feature attracting small businesses into incubation, especially if there was no commercial space available in the community or the market rental prices were too high.

Another aspect of the college is the Business Management Center. Here the community may come in to the center and obtain help on various aspects of their business. The college assigns a student or two to work with the business on the specific technical problem. This service provides an effective partnership between the community and the college. Students benefit from temporary and part-time employment opportunities, in addition to exposure to a variety of business environments and operations. Entrepreneurs benefit from an available pool of temporary qualified labor and counseling services, while the college is able to provide practical experiences to students and assistance to entrepreneurs.

The interaction between the college instructors and the incubator clients is both formal and informal. If help is needed by an incubator client with a technical problem, the business development office contacts the faculty resource person to help resolve the technical problem. Students might also be assigned to work with the incubator client on an issue that had been discussed with a faculty member during the informal session. The incubator coordinator is kept informed about the activities between the incubator client and the faculty so that faculty and students maintain a balanced schedule.

Finally, an international emphasis has been developed through cooperation with the U.S. Department of Commerce, International Trade Administration (ITA). The college has been designated by ITA to serve the central portion of the state. The services include

resources the college has on international trade, as well as consulting services for the clients interested in entering and pursuing an international business venture.

Education and Training

The college offers an associate's degree program for entrepreneurship, as well as a certificate of proficiency in entrepreneurship, which can be obtained in three areas: sales, entrepreneurship, and management. It is also possible for students to pursue either an associate of arts or an associate of science degree. If students pursue this latter approach, they have the option of taking a number of elective courses and adding a number of entrepreneurship topics to develop an emphasis in small business. For students enrolled in the college program, courses are offered in marketing, business management, international marketing, business ethics, business organizational structures, introduction to business, business law, and managing cultural differences. The entrepreneurship course emphasizes the development of a business plan including licensing, financing, and marketing components.

Students enrolled in the entrepreneurship program or in business courses can also obtain credits through a co-op or internship program. In fact, there appears to be a strong emphasis on this portion of the program. Co-op and intern students must set up four work-related goals for the co-op experience, and then write a comprehensive report on these goals. On-the-job visits are made with the participant students by the college staff to supervise their progress and provide necessary feedback. Further, the college offers a course for business planning that is based on projects that students are working on; this course can be taken more than once. Students are also required to develop a business plan as part of the course of study, with the instructor serving more as a consultant than as a lecturer. Credit hours are based on the number of projects students complete within the class relative to their business plan.

A computer program on how to develop a business plan is available to students and contains all the basic components of a plan, including management, finance, and marketing. Students are able to work with individuals in the community who use the SBDC to help them develop a plan or a business idea. The students in turn may earn credit through the co-op or internship program for this effort.

Entrepreneurial Development

The partnerships between various agencies to present a holistic approach to entrepreneurial development makes this small business development center unique. The combination of formal education opportunities taken for credit and the short courses for certificates give clients the opportunity to obtain what is best for their situation. Co-op and internship programs are available to give the full-time students a pragmatic approach to small business development. Further, the SBDC's campus location allows its staff to work interactively with the college's Innovation Center staff. Through this interaction, there is ample opportunity to provide an extensive and comprehensive offering of various services to potential entrepreneurs. Indeed, interviewed business incubator clients were pleased with the many workshops and seminars on various components of being a small business owner. One such seminar dealt with the international market, which is unusual for a small community. This seminar was possible through the college's partnership with ITA.

A critical aspect of running any business is to keep track of changes in the market, and this is doubly hard for a small business operator who is fulfilling more than one role in the day-to-day operations. SBDC provides a resource center for personal counseling and consulting to help clients with keeping track of market changes and to deal with pressing management issues as well. By providing a business center, along with a business incubator, the college can use its entrepreneurs and company managers as guest lecturers in courses that focus on business and entrepreneurship. They can participate in the formal courses or in the seminars that are offered by bringing practical experiences to the classroom and offering hands-on opportunities for students should they decide to participate in co-op or internship activities.

This entrepreneurship program creatively and effectively serves a rural setting. This success model was fostered by a philosophy developed by the college president to improve the economy of this rural community by getting involved in comprehensive development efforts. In addition, working partnerships have developed with government entities, providing mutual benefits by drawing from one another's resources and staff to serve the community.

Case Study 9
Supporting Economic Diversification:
Business Incubation in a Rural Community

Background

The New Business Development Center (NBDC) is located in one of the largest towns of a rural area in a Midwestern state. One of the reasons for establishing a business incubator was to respond to the needs for diversification in the local economy of this rural area, which relies heavily on agricultural production and related business. Hence, supporting business incubation was seen by the local community college as an opportunity to stimulate cottage industry, including consulting services and light manufacturing. Another reason was to encourage the opening of lines of credit to other areas besides farming.

The NBDC began as a college project involving private and public entities in the community to fund its activities. The local independent school system rented the building to the college for a dollar a year for three years. After the third year, the college purchased the building for $100,000. The manager observes that this was "really a community effort since the chambers and the banks have all pledged dollars to us as well as the school and the city. Originally, state legislation called for the start up of 11 incubators, though only four are currently in operation. The lack of financial support was the main reason for discontinuing activities in other incubators. Financial sources come from state lottery funds and fundraising activities. To this end, the incubator manager notes that the incubator is "not integral [to any state program] by any way, shape, or form. We're just providing a source for economic development and awareness to the communities and a service. But somewhere down the line I would say that if the dollars dry up, we're going to be totally funded by gifts. Because the dollars are not there; the legislative dollars aren't there for this college."

Working Strategies

The vision for the center was to set up business services for local entrepreneurs as an extension of local community college services. The manager sees this connection as a definite asset because it provides access to education, technology, and consulting, all facilitated by one place. The center is assisted by an advisory board which includes 14 members representing bankers, attorneys, business owners, and people from the chamber

of commerce. The advisory board serves as a consulting source to provide direction in community cooperation. The combination of membership allows for different perspectives and access to practical experience in key areas of community development. To support the activities of the NBDC, a working strategy was designed to raise funds from incubator client fees, rent from meeting rooms used by external organizations, and donations from community agencies.

To provide consulting services, the center works closely with the Small Business Administration (SBA) to use the professional services of their consultants and case workers. Further, to encourage business start-ups, a small fund was established for this purpose. This program is called SELF, Self Employment Loan Program, and it provides up to $5,000 to each business starting up. Even though this is a small amount, the NBDC manager says, "that's a little program to help them get started, and we try to work with them as much as we can in terms of giving them some space at the center for meetings." Clients are charged $4 per square foot of office space. Office equipment is included with the rental fee. Computer equipment and a small business library are also available for clients. Clients receive clerical support and consulting services, if needed. NBDC provides these support services as a shared package which costs $100 per month and includes a set number of copies and faxes, telephone calls, and clerical time. NBDC staff pick up and deliver mail for Federal Express and UPS service and answer the phone for in-house and external clients.

In 1994, about 29 clients had graduated and moved to different locations in the community. Three of them had gone out of business, and a few others had moved out of state. Initially, NBDC focused on mentoring services to help new start-ups survive early stages of business development. Presently, clients are more mature, and they do not need mentoring services as much as they need professional consultant services. For instance, an entrepreneur observed, "[NBDC] staff know some accountants and attorneys who can help you with your business. My colleagues here also know people on the outside who will work with you like the bankers who may be more in tune to small businesspeople." One of the areas where clients need more help is in bookkeeping, the manager indicated, and this is an area where improvements need to be made in terms of services provided. In this context, mentoring services are provided by incubator staff only to clients who need them (i.e., entrepreneurs in early stages of business development) because they know how people are doing in all aspects of their business. For instance, some clients have worked for corporate

America for some years and are more experienced, while others had to learn these skills the hard way.

NBDC staff recommend that clients take a business course or write a business plan prior to joining the center to learn about maintaining books. Presently, there are no set guidelines for graduation. As the manager explains, "We're very informal, and people just kind of move out and move in. We don't have a very structured graduation policy. We found that that is not fair to some little companies. In contrast, other companies in six months or less may not need us any longer because the dollars are flowing in, and they need to expand in a larger space." Generally, though, clients stay between two and half to three years. During their stay in the incubator, clients speak about the synergistic value of the experience. This is also an environment that lends itself to networking to find out about business connections and marketing opportunities.

In terms of education and training services, NBDC's manager serves as an outreach coordinator for the entire district. The objective is to work with local coordinators to develop and arrange for informal and formal business-related classes.

Education and Training

The education and training component includes the participation of the college in the form of community education classes offered at the NBDC. Further, the Internal Revenue Service (IRS) is invited to conduct workshops. In general, however, the majority of the tenants do not take advantage of these classes, in part because classes are offered only in the evening.

In the program, clients are asked to work on budgets, formulate a business plan, and conduct market research before they set up any kind of business. In this regard, the education and training component is an informal consulting service provided on an individual basis. Staff go through various key areas they feel the clients need to be successful as entrepreneurs in any kind of business. The formal component is provided as a pre-business session where the staff cover basic business and management aspects of running a company. The manager meets with prospective clients to ensure that they have financing and a business plan. The manager also researches the need for the product or service.

Workshops are arranged with the participation of prominent speakers and independent consultants who are willing to donate their time or co-sponsor education and training activities. NBDC charges a minimal fee for the classes to generate some money. The emphasis of these courses is on market research, marketing plans, business plans, financing, and legal aspects. These courses are offered periodically during the year, and a certificate is awarded to participants completing a coherent series of courses.

In regard to the delivery format of courses, entrepreneurs indicated they appreciate practical learning experiences to which they can relate their own situation. The delivery of the business courses requires participants to develop a business plan, detail it step by step, and then go over actual examples to show clients what it is like to perform real-life business tasks.

Based on their previous and present experiences, an entrepreneur suggested that a course of study on entrepreneurship offered at the community college should have the following five elements:

> One, how to research, whether you think you have a viable product or service. The second one would be if you think you know how to determine where and who your market is. The third one would just be basically how to set up books and keep accounting and government records. And the fourth one would be to develop the overall business plan which really encompasses the other three. And the fifth one would be a psychological one to really talk to [students] about reasonable expectations.

Entrepreneurial Development

The perspectives on entrepreneurship versus small business ownership revealed that entrepreneurs are always "enterprising new ideas," while the main objective of small business owners is to survive in business. For new start-ups, at an early stage of business development, everybody is just an small business owner fighting for survival. A female entrepreneur explained: "When you're on the cutting edge of ideas and developing markets, it's hard for me to think of myself as a small business owner . . . I think of myself more as just working the territory. And I think that when you are in that development stage, it's risky but challenging." Another client added that for him, "An entrepreneur is someone that either comes from a different background, maybe from a large corporation for 20 some years, or even if they've been with a small company, but then they go out on their own. And I would classify a small business person as somebody that's been in existence a little

longer, too. So the new person starting a new enterprise is the entrepreneur best model definition." The NBDC manager observed that part of it has to do with the concept people have of themselves. She continued, "If you feel your business is small, and you are in a small area limiting the amount of business, you may feel like you are a small business owner. But if you are doing that same thing and making a lot of money at it, people tend to view you as an entrepreneur."

Gender perspectives on entrepreneurship indicated different values on business opportunities. For instance, a male client expressed that a "successful entrepreneur is somebody that has enough money to live and enjoys what he's doing." A female colleague, on the other hand, views business ownership from a family-centered perspective: "One who has to have the support from her family if there is a family. That can be a real detriment because if you don't have support from significant others you may be under real stress. My family is first in my priority list." The perspectives of female entrepreneurs on being a minority in the business world focus on the ability to develop a flexible schedule to allow raising a family while accomplishing personal goals at the same time. Other clients identified several limitations in starting up businesses, including lack of money, difficulty identifying the needs of customers, lack of organizational skills, inability to establish communication, and ignorance about legal aspects of business.

Opportunities to foster entrepreneurship for both men and women have been evenly split over the years at this community, according to the NBDC manager, though she indicated that over the past few years there have been more women looking for business opportunities. However, she points out that in some instances, being white and male may be a disadvantage for entrepreneurs. She explained that, "If you are white and male, there aren't any programs for you. But if you are a minority or a woman, there are programs that at least you can tap into."

CROSS-ANALYSIS: INVOLVEMENT OF TWO-YEAR TECHNICAL COLLEGES IN ECONOMIC DEVELOPMENT

The focus of the cross-analysis was to determine the extent of the involvement of two-year technical colleges in economic development through business incubation and entrepreneurship programs. Further, a shared understanding of entrepreneurship emerged from this analysis given the differences and similarities across participant sites in terms of (1) approach to business incubation, (2) education and training opportunities to foster entrepreneurship in business incubation or through college coursework, and (3) opportunities and limitations affecting entrepreneurial development.

According to the cross-analysis design, only the involvement of community colleges and postsecondary technical-education institutions will be discussed here. The analysis on the elements of entrepreneurship and opportunities for participation in community economic development is left open for the users. To assist and guide users in this process, a set of five discussion questions is presented for each category of analysis relevant to participation in fostering economic and entrepreneurship development in the community.

Involvement of Technical Colleges in Community Economic Development

Four major goals seem to be the source of the involvement of two-year technical colleges in community economic development:

1. Job creation to support the local economy
2. Diversification of business opportunities to expand economies relying on few sources of economic support
3. Revitalization of neighborhoods through support of new small business ventures
4. Provision of education and training opportunities for dislocated workers, retraining of employees, and entrepreneurial development

To accomplish these goals, implementation efforts are sometimes carried out based on a comprehensive approach, but in most cases the focus is only on one or two goals. Thus, the involvement of two-year colleges to foster economic development in the community was found in three levels: (1) support of business incubation, (2) provision of business-related services, and (3) education and training opportunities offered to the general public. The purpose and extent of the involvement to support these efforts vary according to the resources and circumstances leading to their implementation. For example, in rural areas the focus appeared to be in job creation and diversification of the local economy. Therefore, two-year colleges responded by supporting a business incubator in partnership with community groups. In urban areas the emphasis is on creation of jobs and revitalization of depressed areas in need of economic support. Suburban efforts, on the other hand, focus on the growing and changing needs of both employers and employees through provision of business-related services, education and training opportunities, and stimulation of new small business ventures in the community.

The driving force behind these efforts in each case was the commitment of key individuals within the college (e.g., president, program director) or from the community when there was no connection with the college. However, the leadership provided by these individuals appeared to be channeled to envision and set up the participation of the local college in community economic development in one or more of the forms mentioned above. Once a business incubator or a small business development assistance center begins to operate, a new form of operational leadership is required to provide services efficiently and in line with the stated goals. It is at this stage that the involvement of the technical college seemed to be rather weak. Once a program is established (e.g., a business incubator), the operation may become a satellite entity and, in many instances, there may be no linkages with the college other than funding. For example, across sites, it was common to find little participation of college faculty in educational and training opportunities offered at the business incubator or at the SBDC, nor for the purpose of providing consulting services. Further, with one or two exceptions, there were practically no connecting activities with both the sponsoring college and local high schools to expose students to entrepreneurial ventures.

The lack of strong operational linkages between the two-year colleges and these economic and entrepreneurial development programs was reflected in the variety of managerial forms of these programs. In some cases, the program directors or managers

spend their time in fundraising activities to come up with additional funding to support the operation (Case Studies 2, 4, and 9). This, in turn, reduces the time managers spend in counseling services aimed at fostering entrepreneurship in the community. Even in cases where a comprehensive approach is taken (including business incubation, business-related services, and entrepreneurship courses), the operation may create a quasi-autonomous organization where survival depends upon the best use of the resources available (see Case Studies 1, 3, and 5). Hence, the program director may be forced to turn to the professional community rather than the sponsoring college for assistance in various areas to manage the program efficiently.

Indeed, even though two-year colleges sponsor business incubators and provide business-related services through assistance centers, and/or courses with focus on entrepreneurship, there is usually a strong manager or director at the operational level who makes up for the weak involvement of the sponsoring institution once the operation is running. Based on these findings, the question that remains is, what can we do to improve the involvement of two-year colleges on the efforts described above?

What follows is a series of questions on key areas of this involvement which may guide administrators in their efforts to establish a business incubator, a series of courses on entrepreneurship, or business-related services to the general public to foster entrepreneurship in the community. These sets of questions may also be useful for instructors and students engaged in business or entrepreneurship courses for learning and instructional consideration.

Guide for Users Analysis: Discussion Questions

The purpose of these discussion questions is to guide users in their own cross-analysis of the case studies to identify key issues, opportunities, and limitations for involvement in efforts to foster economic and entrepreneurship in the community. Further, these questions can serve as a discussion guide for instructional and learning purposes for those users interested in the educational aspect of these case studies. To provide a point of reference for the users' cross analysis, these sets of questions are followed by an outline of the implications for postsecondary technical education derived from our analysis of the material presented here. A complementary guidebook (see Report 3, Hernández-Gantes,

Sorensen, & Nieri, 1996b) was developed to provide specific examples for various levels of involvement identified across the case studies.

A. Approach to Business Incubation

1. Thinking in terms of your own case scenario, what would be the reasons to establish a business incubator supported by the local technical/community college?

2. What would be the strategies to fund a business incubator in the community? Should the business incubator be fully funded by the local technical college? Are there any other alternatives?

3. If you were to design the working strategies for the business incubator, what would be your criteria for selection of potential in-house clients?

4. What kinds of services would you emphasize at the business incubator—commercial space, clerical support, business services, education and training, counseling—and why?

5. Based on the philosophy of economic development found in the community, what would be your exit criteria for in-house clients—that is, how long will they be allowed to stay in the business incubator? Please justify your answer.

B. Education and Training Services in Business Incubation

1. If you were to focus on education and training services at the business incubator, how would you develop the content of your program, and what topics would be included?

2. How would you use the concept of a business plan in your education and training program in business incubation?

3. What would you do to involve college faculty to deliver education and training sessions at the incubator?

4. What would be your strategies to encourage attendance of in-house clients and the general public to education and training opportunities offered by the business incubator?

5. When and how would you use psychological assessment as a component of your education and training activities?

C. College-Based Education and Training Services

1. The administrators of your college want to foster economic development in the community by offering a series of courses with a focus on entrepreneurship. Your program is already offering a series of business courses, so what would you say to these administrators? Are these business courses addressing entrepreneurship? If so, how? If not, how would you structure your coursework to address entrepreneurship?

2. Based on the structure of the courses outlined in question 1, what would be the major topics covered in each of the core components of the series of courses on entrepreneurship?

3. What instructional strategies would you suggest instructors use to ensure practical relevance to regular students, individuals interested in starting up a business, and entrepreneurs in early stages of business development?

4. Anticipating different needs of the general public, what kinds of education and training options—certificate, diploma, advanced credit—would you offer at the college level?

5. How would you make sure participants understand the business and entrepreneurial opportunities and limitations derived from global economic competition?

D. Entrepreneurial Development

1. Initial funding to support business ventures appears to be the biggest limitation to start up a business. What would you do at the business

incubator level to provide for seed money to assist entrepreneurs in developing an idea or product, or helping them get started?

2. What strategies would you implement as part of your business incubation approach to facilitate networking and synergistic exchange among in-house and external clients?

3. Usually, entrepreneurs in business incubation enroll because business space at low rates is the primary motivation for them. If you were the manager of the incubator, what would you do to get them interested in counseling and business services, and in other activities aimed at fostering entrepreneurship?

4. Once entrepreneurs stay at the business incubator for about two or two and a half years, they are ready to move out. What things would you do to facilitate a smooth transition from business incubation to the business world outside incubation?

5. Based on the case studies, what kinds of business-related services would you find feasible to establish in your community and be supported by your local technical/community college?

E. Serving Minority- and Female-Owned Enterprises

1. Do minority and female entrepreneurs share special limitations at earlier stages of business development? Would they require special assistance to survive during their first few years of operation?

2. What are the pros and cons of operating solely under a setaside approach to contracts for minority- and female-owned enterprises? What would you do to prevent failures of businesses relying on setaside contracts?

3. What are the perspectives of minority and female entrepreneurs about competing in the business world? What kinds of things can they do to improve their chances to succeed in their line of business?

4. In only a couple of cases was an emphasis on serving minority and female entrepreneurs found. However, in each case, efforts to target these special

groups were practically non-existent, as the business incubators attracted them by word of mouth, or by the visible proportion of these groups in the incubator. If you were to start a business incubator with a focus on minority and/or female clients, what would you do to recruit or target these special groups in the community?

5. Male and female entrepreneurs appear to have different perspectives about being an entrepreneur. Can you outline what these perspectives are, and what can you do to address these differences through practical services?

IMPLICATIONS FOR POSTSECONDARY TECHNICAL EDUCATION

Expanding the role of postsecondary technical education to include a proactive involvement in community economic development requires careful planning and a clear definition of the intended goals. Based on events and experiences described in case studies, the implications for postsecondary technical education—as an agent to facilitate economic development—lie in six major areas:

1. Retool the traditional educational role to provide customized training programs in close partnership with local industry with focus on new competencies and skills required from both employers and employees by the emerging high-performance workplace.

2. Serve as an educational broker to government agencies to provide the facilities, human resources, and the necessary linkages for students, dislocated workers, and potential employers who benefit from a variety of training programs.

3. Develop entrepreneurial opportunities through education and training aimed at facilitating the transition of interested individuals from school or work to business ownership.

4. Facilitate connecting activities between schools—both secondary and postsecondary—and local businesses to expose young students to entrepreneurial environments as another career path, and ease the transitional experiences of those moving from school or work to business ownership.

5. Foster economic development by supporting business incubation in the community with a focus on entrepreneurial development through comprehensive services rather than on just commercial space at low rates.

6. Provide business- and industry-related services to assist newly and already established enterprises, including consulting services, facilities, equipment, and software to demonstrate improved processes and technologies.

To administrators interested in implementing or improving efforts on any of these opportunities described above, case studies illustrate different scenarios in urban, suburban, and rural settings. A collective understanding of the diverse circumstances and common contextual characteristics may be more useful to develop a vision for one's efforts or to identify opportunities for improved participation in community and entrepreneurship development. As such, the final analysis and conclusions are left open for the users to stimulate their own thinking in identifying a wide variety of potential applications and to encourage technical education leaders to develop a vision to foster economic and entrepreneurial development in the community.

Those users interested in specific examples describing potential opportunities in each of the six major areas previously outlined for two-year technical colleges can review a complementary publication, *Guidebook of Opportunities for Two-year Technical Colleges*, by Hernández-Gantes et al. (1996b).

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APPENDIX A
SELECTION FORM FOR BUSINESS INCUBATORS

Purpose: To identify business incubators which may or may not be associated with community/technical colleges. Ideally, we would like to find business incubators working closely with postsecondary institutions, but this is not essential. Focus groups will be conducted with managers and tenants in incubators which emphasize service to minority/female entrepreneurs and provide systematic education and training services. We are particularly interested in incubators offering entrepreneurial education/programs as a major component of incubation.

Incubator:

Address:

Contact Person: _____ Phone #: _____

Title: _____ Fax #: _____

Incubator description: Include information on sponsorship and whether the incubators have a systematic approach to delivery of education and training services, including a component on entrepreneurial skills, preferably. Attach any relevant materials (e.g., news release, journal article, and brochures).

Stability: Include length of operation, funding commitment, and utilization of business space.

Start-up assistance: Indicate whether the incubator provides systematic assistance to start-up a business; include financial, management, marketing, and organizational issues.

Entrepreneurial environment: Describe if incubator is providing a nurturing environment to develop entrepreneurial skills—for example, awareness of current issues in global competition; understanding of changes in the workplace, management styles, and the national market and the economy; and availability of current information related to area of business.

Linkages with community/technical colleges: Identify links with postsecondary institutions—for example, participation in internships, co-op programs, education and training services, technical assistance, entrepreneurial development, and other connections

with educational institutions or agencies to provide for education and training services to tenants.

Tenant composition: Describe the composition of tenants in terms of gender and ethnicity.

Location: Include a variety of locations, including urban, suburban, rural, and geographical distribution.

Sources of information: Incorporate journals, nominations, personal consultations, phone consultations, brochures, and so on.

APPENDIX B
SELECTION FORM FOR COMMUNITY/TECHNICAL COLLEGES

Purpose: To identify postsecondary institutions (community/technical colleges) which may or may not be associated with business incubators. Ideally, we would like to find postsecondary institutions working closely with incubators, but partnerships with business in general will suffice. Focus groups will be conducted with administrators, instructors, students, and entrepreneurs in locations where postsecondary institutions are offering well-established entrepreneurial programs. The objective will be to gain an understanding of curriculum opportunities, instructional approach, school-to-work assistance context, and actual experiences of business owners.

Community/Technical College:

Address:

Contact Person: _____ Phone #: _____

Title: _____ Fax #: _____

Program/Course description: Include information on school-based programs or courses on entrepreneurial skills, business, management, or training in related areas. Attach any relevant materials (e.g., course listings, course syllabus, and brochures).

Program stability: Document length of operation, funding commitment, and enrollment.

Partnership with industry: Identify links with industry to complement program/ course with work-based experience. Other connections with industry to be considered: work with incubators and partnerships to support school-to-work transition programs.

School-to-work transition assistance: Include connecting activities with high schools and local industry to expose students to career opportunities in business, employment opportunities, internships, and co-op programs.

Adult and continuing education: Identify school-based, community-based, and work-based programs which focus on entrepreneurial skills or business-related areas needed to assist in the start-up and operation of a business.

Educational services inclusive of all students: Include comprehensive assistance to all students, including minorities, women, and individuals with special needs.

Location: Include a variety of locations including urban, suburban, rural, and geographical distribution.

Sources of information: Incorporate journals, nominations, personal consultations, phone consultations, brochures, and so on.

APPENDIX C
INTERVIEW GUIDE FOR COMMUNITY/TECHNICAL COLLEGE ADMINISTRATORS, INSTRUCTORS, AND STUDENTS

Purpose: To gather data from community/technical college administrators, instructors, and students describing the rationale for offering or participating in the program/course on entrepreneurship, delivery approach, perspectives on entrepreneurship, and support services that facilitate the development of entrepreneurial skills.

Procedures

- Introduce the visiting team and state your affiliation.
- Explain your research interest.
- Explain the interview process.
- Assure anonymity.
- Ask permission to tape record the interview.

Interview Guide for Administrators and Instructors

The following questions are just a guide to interview participants. Thus, the interview process should be semistructured to allow you to pursue relevant topics in more detail and probe as necessary to enrich descriptions of particular events and experiences shared by participants.

1. What is your understanding of entrepreneurship?
    - What do entrepreneurs need to know to succeed in business?
2. What were the reasons leading to the establishment of the program/course on entrepreneurship?
3. How would you describe your program/course?
    - What is the content of your program/course?
    - How do you structure your program/course?
4. Can you describe to us the background of the faculty associated with the program/course?

5. Please tell us about any work-based learning opportunities provided to students.

6. What kinds of linkages do you have with industry?

   - What kind of assistance do you provide to business owners?

7. How do you provide entrepreneurial education and training for out-of-school adult students?

8. How do you meet the special needs of minorities and women?

Focus Group Guide for Students

1. Can you share with us the reasons to attend a program/course on entrepreneurship?

2. We often use "entrepreneur" and "business owner" interchangeably. Is there any difference between these two terms?

   - What does it take to start up a business?
   - What do you think is required to run a business efficiently?
   - What does it take to make a business competitive?

3. What are you learning in your program or course on _____?

4. What learning experiences have you found most useful?

5. What support services have facilitated the development of your entrepreneurial skills?

6. What kind of work-based learning opportunities have been available to you?

7. Do you feel your needs are being met both in terms of support services and educational/training approach? Please explain.

APPENDIX D
INTERVIEW GUIDE FOR INCUBATOR MANAGER, STAFF, AND CLIENTS IN AND OUT OF BUSINESS INCUBATION

Purpose: To gather data from incubator managers, staff, and entrepreneurs in and out of business incubation to describe linkages with postsecondary institutions, perspectives on developing tenants' entrepreneurial skills, and educational/training elements that facilitate the development of entrepreneurial skills.

Procedures

- Introduce the visiting team and state your affiliation.
- Explain your research interest.
- Explain the interview process.
- Assure anonymity.
- Ask permission to tape record the interview.

Interview Guide for Incubator Manager and Staff

The following questions are just a guide to interview participants. Thus, the interview process should be semistructured to allow you to pursue relevant topics in more detail and probe as necessary to enrich descriptions of particular events and experiences shared by participants.

1. What is the objective of your incubator?

2. What is your understanding of entrepreneurship?

    - What do you think entrepreneurs need to know to become successful business owners?
    - What are the things that you do that help develop entrepreneurship?
    - What services do you provide to start up a business?
    - What kind of assistance do you provide to run and make a business competitive while in business incubation?

3. How do you meet the special needs of minorities and women?

    - Please tell us about your support services for minorities and women. Do you have any that specifically target these groups?

4. What kinds of linkages do you have with community/technical colleges?

   - How can community or technical colleges develop entrepreneurship through education and/or training?
   - In what ways, other than education and training, can community or technical colleges help develop entrepreneurship?

Focus Group Guide for In-House and External Clients

1. We often use "entrepreneur" and "business owner" interchangeably. Is there a difference between these two terms?

   - What do you think is required to start up a business?
   - What do you think is required to operate a business?
   - In general, what does it take to succeed in business?

2a. For those in business incubation: What were your reasons for joining an incubator?

   - What have you learned so far during the incubation process?
   - What support services have facilitated the development of your business? How?

2b. What professional services have facilitated the development of your entrepreneurial skills? How?

3. What kinds of education and training activities have facilitated the development of your entrepreneurial skills?

4. What would your advise be to college administrators interested in developing a program or course focusing on entrepreneurial skills?

   - What kind of learning activities would you recommend?

5. If you had one piece of advice to would-be entrepreneurs, what would you say to them?